GOVERNMENT OF INDIA
RURAL DEVELOPMENT
LOK SABHA

UNSTARRED QUESTION NO:1489
ANSWERED ON:24.11.2016
National Rural Livelihood Mission
Banerjee Shri Kalyan

Will the Minister of RURAL DEVELOPMENT be pleased to state:

(a) whether the Union Government provides financial assistance to the rural people through National Rural Livelihood Mission (NRLM);

(b) if so, the details thereof along with the guidelines therefor; and

(c) the details of the total number of beneficiaries who have been benefited under the said mission during the last three years and the current year, State/UT-wise?

Answer

MINISTER OF STATE IN THE MINISTRY OF RURAL DEVELOPMENT
(SHRI RAM KRIPAL YADAV)

(a) to (c): Deendayal AntyodayaYojana − National Rural Livelihoods Mission (DAY − NRLM) is being implemented in the country with the objective to organize all rural poor households in the country and continuously nurture and support them till they come out of abject poverty. The programme aims to ensure that at least one woman member from each rural poor household is brought under the Self Help Group (SHG) network. Under DAY - NRLM, financial assistance is given in the following forms:-

(1) Interest subvention:- Interest subvention is provided to women SHGs to cover the difference between the bank's lending rate of interest and 7%, on credit availed by the SHGs from the banks for a maximum of Rs 3, 00,000 per SHG. This will be available across the country in two ways:

Category I:

(a) Applicable to category I districts -250 most backward districts including IAP districts.

(b) All women SHGs can avail loans upto Rs 3 lakhs at 7 percent interest per annum.

(c) All women SHGs will also be eligible to an additional interest subvention of 3% on prompt repayment, reducing the effective rate to 4%.

Category II:

In the remaining districts, on prompt repayment, all women SHGs under NRLM will be eligible for interest subvention to the extent of the difference between the Banks' lending rate and 7% on loans upto Rs. 3 lakh.
For disbursement of interest subvention in category-II districts, State Rural Livelihoods Missions (SRLMs) are expected to access the reports placed on the NRLM Bank Linkage portal, scrutinize and transfer the amount to eligible SHGs directly to their respective bank account.

(2) Revolving Fund:- Under DAY-NRLM, Rs. 10,000-15,000/- per Self Help Group is provided as Revolving Fund to all DAY-NRLM compliant SHGs in the country.
The eligibility conditions for SHG to receive Revolving Funds are: -

The SHG should have been practicing 'panchasutra' for the last 3-4 months (15 weeks). Panchasutra include (i) Regular meetings (ii) Regular savings (iii) Regular internal lending (iv) Regular repayment; and (v) Proper book-keeping.

Other Conditions include:

(a) The group has opened an Saving Bank (SB) Account in any Bank Branch.

(b) All the members of the group have received three days member level training on SHG concept, group management and panchasutras.

(c) A commitment from the group that the Revolving Fund will be utilized for internal lending to the members along with savings.

(d) After the provision of Revolving Fund also, the group agrees to continue panchasutra, good management and financial norms in its

meetings.

(3) Community Investment Fund:- Under DAY-NRLM, financial assistance upto Rs. 2.5 lakh per Self Help Group is given as Community Investment Fund to SHGs/primary level federations / village organizations.

Eligibility criteria for an SHG to access CIF loan through Micro Credit Plan (MCP) process -

(i) The SHG should have been following 'Panchasutra' at least for the last 6 months (26 weeks or more).

(ii) It should have regular internal lending of its corpus to the members by small loans for the last 6 months.

(iii) It should have developed its participatory Micro-credit Plan.

(iv) It should give a commitment that even after receiving CIF loan through MCP Process, the members of the group will run the management duly adopting panchasutras and good management and financial norms.

A statement indicating disbursement of interest subvention in Category I districts is enclosed as Anneuxre I. A statement indicating disbursal of interest subvention to SHGs under Category II is enclosed as Annexure II.A statement indicating the number of SHGs who have been provided Revolving Fund and Community Investment Fund and the amount disbursed to them is enclosed as Annexure-III.Further, a statement indicating year-wise bank linkage report is enclosed as Annexure IV.

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